



3015 (02-09-04)

ANNUAL REPORT

OF

Name: TOKEN CREEK WATER DISTRICTPrincipal Office: 5365 REINER ROAD
MADISON, WI 53704For the Year Ended: DECEMBER 31, 1998**WATER, ELECTRIC, OR JOINT UTILITY
TO
PUBLIC SERVICE COMMISSION OF WISCONSIN**P.O. Box 7854
Madison, WI 53707-7854
(608) 266-3766

This form is required under Wis. Stat. § 196.07. Failure to file the form by the statutory filing date can result in the imposition of a penalty under Wis. Stat. § 196.66. The penalty which can be imposed by this section of the statutes is a forfeiture of not less than \$25 nor more than \$5,000 for each violation. Each day subsequent to the filing date constitutes a separate and distinct violation. The filed form is available to the public and personally identifiable information may be used for purposes other than those related to public utility regulation.

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IDENTIFICATION AND OWNERSHIP

Exact Utility Name: TOKEN CREEK WATER DISTRICT**Utility Address:** 5365 REINER ROAD
MADISON, WI 53704**When was utility organized?** 12/31/1994**Report any change in name:****Effective Date:****Utility Web Site:**

Utility employee in charge of correspondence concerning this report:

Name: MS AMY VOLKMANN**Title:** ADMINISTRATOR/CLERK/TREASURER**Office Address:**5365 REINER ROAD
MADISON, WI 53704**Telephone:** (608) 825 - 8420**Fax Number:** (608) 825 - 8422**E-mail Address:**

Individual or firm, if other than utility employee, preparing this report:

Name: VIRCHOW, KRAUSE, AND CO. LLP**Title:****Office Address:** VIRCHOW, KRAUSE, AND CO. LLP4600 AMERICAN PKWY
P.O. BOX 7398
MADISON, WI 53707-7398**Telephone:** (608) 249 - 6622**Fax Number:** (608) 249 - 8532**E-mail Address:** cpa@virchowkrause.com

Are records of utility audited by individuals or firms, other than utility employee? YES

Individual or firm, if other than utility employee, auditing utility records:

Name: VIRCHOW, KRAUSE, AND CO. LLP**Title:****Office Address:** VIRCHOW, KRAUSE, AND CO. LLP4600 AMERICAN PKWY
P.O. BOX 7398
MADISON, WI 53707-7398**Telephone:** (608) 249 - 6622**Fax Number:** (608) 249 - 8532**E-mail Address:****Date of most recent audit report:** 3/16/1998**Period covered by most recent audit:** 1998

IDENTIFICATION AND OWNERSHIP

Names and titles of utility management including manager or superintendent:

Name: NONE

Title:

Office Address:

Telephone:

Fax Number:

E-mail Address:

Name of utility commission/committee:

Names of members of utility commission/committee:

Is sewer service rendered by the utility? YES

If "yes," has the municipality, by ordinance, combined the water and sewer service into a single public utility, as provided by Wis. Stat. § 66.077 of the Wisconsin Statutes? NO

Date of Ordinance:

Are any of the utility administrative or operational functions under contract or agreement with an outside provider for the year covered by this annual report and/or current year (i.e., operation of water or sewer treatment plant)? NO

Provide the following information regarding the provider(s) of contract services:

Firm Name:

Contact Person:

Title:

Telephone:

Fax Number:

E-mail Address:

Contract/Agreement beginning-ending dates:

Provide a brief description of the nature of Contract Operations being provided:

INCOME STATEMENT

Particulars (a)	This Year (b)	Last Year (c)	
UTILITY OPERATING INCOME			
Operating Revenues (400)	125,837	103,014	1
Operating Expenses:			
Operation and Maintenance Expense (401)	21,521	33,938	2
Depreciation Expense (403)	34,173	28,274	3
Amortization Expense (404)	0	0	4
Taxes (408)	609	492	5
Total Operating Expenses	56,303	62,704	
Net Operating Income	69,534	40,310	
Income from Utility Plant Leased to Others (412-413)	0	0	6
Utility Operating Income	69,534	40,310	
OTHER INCOME			
Income from Merchandising, Jobbing and Contract Work (415-416)	0	0	7
Nonoperating Rental Income (418)	0	0	8
Interest and Dividend Income (419)	31,078	36,500	9
Miscellaneous Nonoperating Income (421)	0	0	10
Total Other Income	31,078	36,500	
Total Income	100,612	76,810	
MISCELLANEOUS INCOME DEDUCTIONS			
Miscellaneous Amortization (425)	0	0	11
Other Income Deductions (426)	0	0	12
Total Miscellaneous Income Deductions	0	0	
Income Before Interest Charges	100,612	76,810	
INTEREST CHARGES			
Interest on Long-Term Debt (427)	59,158	64,932	13
Amortization of Debt Discount and Expense (428)	4,867	4,867	14
Amortization of Premium on Debt--Cr. (429)			15
Interest on Debt to Municipality (430)	0	0	16
Other Interest Expense (431)	0	0	17
Interest Charged to Construction--Cr. (432)			18
Total Interest Charges	64,025	69,799	
Net Income	36,587	7,011	
EARNED SURPLUS			
Unappropriated Earned Surplus (Beginning of Year) (216)	89,404	82,393	19
Balance Transferred from Income (433)	36,587	7,011	20
Miscellaneous Credits to Surplus (434)	0	0	21
Miscellaneous Debits to Surplus--Debit (435)	0	0	22
Appropriations of Surplus--Debit (436)	0	0	23
Appropriations of Income to Municipal Funds--Debit (439)	0	0	24
Total Unappropriated Earned Surplus End of Year (216)	125,991	89,404	

INCOME STATEMENT ACCOUNT DETAILS

1. Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.
2. Nonregulated sewer income should be reported as Miscellaneous Nonoperating Income, Account 421.

Description of Item (a)	Amount (b)	
Revenues from Utility Plant Leased to Others (412):		
NONE		1
Total (Acct. 412):	0	
Expenses of Utility Plant Leased to Others (413):		
NONE		2
Total (Acct. 413):	0	
Nonoperating Rental Income (418):		
NONE		3
Total (Acct. 418):	0	
Interest and Dividend Income (419):		
INTEREST INCOME	31,078	4
Total (Acct. 419):	31,078	
Miscellaneous Nonoperating Income (421):		
NONE		5
Total (Acct. 421):	0	
Miscellaneous Amortization (425):		
NONE		6
Total (Acct. 425):	0	
Other Income Deductions (426):		
NONE		7
Total (Acct. 426):	0	
Miscellaneous Credits to Surplus (434):		
NONE		8
Total (Acct. 434):	0	
Miscellaneous Debits to Surplus (435):		
NONE		9
Total (Acct. 435)--Debit:	0	
Appropriations of Surplus (436):		
Detail appropriations to (from) account 215		10
Total (Acct. 436)--Debit:	0	
Appropriations of Income to Municipal Funds (439):		
NONE		11
Total (Acct. 439)--Debit:	0	

INCOME FROM MERCHANDISING, JOBBING & CONTRACT WORK (ACCTS. 415-416)

Particulars (a)	Water (b)	Electric (c)	Sewer (d)	Gas (e)	Total (f)	
Revenues (account 415)					0	1
Costs and Expenses of Merchandising, Jobbing and Contract Work (416):						
Cost of merchandise sold					0	2
Payroll					0	3
Materials					0	4
Taxes					0	5
Other (list by major classes):					0	6
Total costs and expenses	0	0	0	0	0	
Net income (or loss)	0	0	0	0	0	

REVENUES SUBJECT TO WISCONSIN REMAINDER ASSESSMENT

1. Report data necessary to calculate revenue subject to Wisconsin remainder assessment pursuant to Wis. Stat. § 196.85(2) and Wis. Admin. Code Ch. PSC 5.
2. If the sewer department is not regulated by the PSC, do not report sewer department data in column (d).

Description (a)	Water Utility (b)	Electric Utility (c)	Sewer Utility (Regulated Only) (d)	Gas Utility (e)	Total (f)	
Total operating revenues	125,837	0	0	0	125,837	1
Less: interdepartmental sales	0		0	0	0	2
Less: interdepartmental rents					0	3
Less: return on net investment in meters charged to regulated sewer department. (Do not report if nonregulated sewer.)	0				0	4
Less: uncollectibles directly expensed as reported in water acct. 904 (690 class D), sewer acct. 843, and electric acct. 904 (590 class D) -or- Net write-offs when Accumulated Provision for Uncollectible Accounts (acct. 144) is maintained					0	5
Other Increases or (Decreases) to Operating Revenues - Specify:						
.					0	6
Revenues subject to Wisconsin Remainder Assessment	125,837	0	0	0	125,837	

BALANCE SHEET

Assets and Other Debits (a)	Balance End of Year (b)	Balance First of Year (c)	
UTILITY PLANT			
Utility Plant (100)	2,096,127	2,094,077	1
Less: Accumulated Provision for Depreciation and Amortization of Utility Plant (110)	106,226	72,053	2
Net Utility Plant	1,989,901	2,022,024	
OTHER PROPERTY AND INVESTMENTS			
Nonutility Property (121)	0	0	3
Less: Accumulated Provision for Depreciation and Amortization of Nonutility Property (122)	0	0	4
Net Nonutility Property	0	0	
Investment in Municipality (123)	0	0	5
Other Investments (124)	287,174	456,531	6
Special Funds (125)	0	0	7
Total Other Property and Investments	287,174	456,531	
CURRENT AND ACCRUED ASSETS			
Cash and Working Funds (131)	185,321	55,782	8
Temporary Cash Investments (132)			9
Notes Receivable (141)	0	0	10
Customer Accounts Receivable (142)	21,492	39,982	11
Other Accounts Receivable (143)	0	0	12
Accumulated Provision for Uncollectible Accounts- -Cr. (144)	0	0	13
Receivables from Municipality (145)	127,272	143,416	14
Materials and Supplies (150)	0	0	15
Prepayments (165)	0	0	16
Other Current and Accrued Assets (170)			17
Total Current and Accrued Assets	334,085	239,180	
DEFERRED DEBITS			
Unamortized Debt Discount and Expense (181)	5,455	10,322	18
Extraordinary Property Losses (182)	0	0	19
Other Deferred Debits (183)	0	0	20
Total Deferred Debits	5,455	10,322	
Total Assets and Other Debits	2,616,615	2,728,057	

BALANCE SHEET

Liabilities and Other Credits (a)	Balance End of Year (b)	Balance First of Year (c)	
PROPRIETARY CAPITAL			
Capital Paid in by Municipality (200)	0	0	21
Appropriated Earned Surplus (215)			22
Unappropriated Earned Surplus (216)	125,991	89,404	23
Total Proprietary Capital	125,991	89,404	
LONG-TERM DEBT			
Bonds (221)	0		24
Advances from Municipality (223)	0	0	25
Other long-Term Debt (224)	1,335,000	1,485,000	26
Total Long-Term Debt	1,335,000	1,485,000	
CURRENT AND ACCRUED LIABILITIES			
Notes Payable (231)	0	0	27
Accounts Payable (232)	2,065	232	28
Payables to Municipality (233)	0	0	29
Customer Deposits (235)			30
Taxes Accrued (236)	0	0	31
Interest Accrued (237)	14,424	15,886	32
Other Current and Accrued Liabilities (238)			33
Total Current and Accrued Liabilities	16,489	16,118	
DEFERRED CREDITS			
Unamortized Premium on Debt (251)	0	0	34
Customer Advances for Construction (252)			35
Other Deferred Credits (253)	0	0	36
Total Deferred Credits	0	0	
OPERATING RESERVES			
Miscellaneous Operating Reserves (265)			37
Total Operating Reserves	0	0	
CONTRIBUTIONS IN AID OF CONSTRUCTION			
Contributions in Aid of Construction (271)	1,139,135	1,137,535	38
Total Liabilities and Other Credits	2,616,615	2,728,057	

NET UTILITY PLANT

Report utility plant accounts and related accumulated provisions for depreciation and amortization after allocation of common plant accounts and related provisions for depreciation and amortization to utility departments as of December 31.

Particulars (a)	Water (b)	Sewer (c)	Gas (d)	Electric (e)	
Plant Accounts:					
Utility Plant in Service (100)	2,096,127	0	0	0	1
Utility Plant Purchased or Sold (391)					2
Utility Plant in Process of Reclassification (392)					3
Utility Plant Leased to Others (393)					4
Property Held for Future Use (394)					5
Construction Work in Progress (395)					6
Utility Plant Acquisition Adjustments (396)					7
Other Utility Plant Adjustments (397)					8
Total Utility Plant	2,096,127	0	0	0	
Accumulated Provision for Depreciation and Amortization:					
Accumulated Provision for Depreciation of Utility Plant in Service (110)	106,226	0	0	0	9
Total Accumulated Provision	106,226	0	0	0	
Net Utility Plant	1,989,901	0	0	0	

ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION OF UTILITY PLANT

Depreciation Accruals (Credits) during the year:

1. Report the amounts charged in the operating sections to Depreciation Expense (403).
2. If sewer operations are nonregulated, do not report sewer depreciation on this schedule.
3. Report the Depreciation Expense on Meters charged to sewer operations as an addition in the Water column.
If the sewer is also a regulated utility by the PSC, report an equal amount as a reduction in the Sewer column.
4. Report all other accruals charged to other accounts, such as to clearing accounts.

Particulars (a)	Water (b)	(c)	(d)	(e)	Total (f)	
Balance first of year	72,053				72,053	1
Credits During Year						2
Accruals:						3
Charged depreciation expense (403)	34,173				34,173	4
Depreciation expense on meters						5
charged to sewer (see Note 3)					0	6
Accruals charged other						7
accounts (specify):						8
					0	9
Salvage					0	10
Other credits (specify):						11
					0	12
Total credits	34,173	0	0	0	34,173	13
Debits during year						14
Book cost of plant retired	0				0	15
Cost of removal					0	16
Other debits (specify):						17
					0	18
Total debits	0	0	0	0	0	19
Balance End of Year	106,226	0	0	0	106,226	20
Composite Depreciation Rate?	No					21
If yes, what is the rate?						22

NET NONUTILITY PROPERTY (ACCTS. 121 & 122)

1. Report separately each item of property with a book cost of \$5,000 or more included in account 121.
2. Other items may be grouped by classes of property.
3. Describe in detail any investment in sewer department carried in this account.

Description (a)	Balance First of Year (b)	Additions During Year (c)	Deductions During Year (d)	Balance End of Year (e)	
Nonregulated sewer plant	0			0	1
Other (specify):	0			0	2
Total Nonutility Property (121)	0	0	0	0	
Less accum. prov. depr. & amort. (122)	0			0	3
Net Nonutility Property	0	0	0	0	

ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS-CR. (ACCT. 144)

Particulars (a)	Amount (b)	
Balance first of year	0	1
Additions:		
Provision for uncollectibles during year		2
Collection of accounts previously written off: Utility Customers		3
Collection of accounts previously written off: Others		4
Total Additions	<u>0</u>	
Deductions:		
Accounts written off during the year: Utility Customers		5
Accounts written off during the year: Others		6
Total accounts written off	<u>0</u>	
Balance end of year	<u><u>0</u></u>	

MATERIALS AND SUPPLIES

Account (a)	Generation (b)	Transmission (c)	Distribution (d)	Other (e)	Total End of Year (f)	Amount Prior Year (g)
Electric Utility						
Fuel for generation					0	0 1
Other					0	0 2
Total Electric Utility					<u>0</u>	<u>0</u>

Account	Total End of Year	Amount Prior Year
Electric utility total	0	0 1
Water utility		0 2
Sewer utility		0 3
Gas utility		0 4
Merchandise		0 5
Other materials & supplies		0 6
Total Materials and Supplies	<u>0</u>	<u>0</u>

UNAMORTIZED DEBT DISCOUNT & EXPENSE & PREMIUM ON DEBT (ACCTS. 181 AND 251)

Report net discount and expense or premium separately for each security issue.

Debt Issue to Which Related (a)	Written Off During Year		Balance End of Year (d)	
	Amount (b)	Account Charged or Credited (c)		
Unamortized debt discount & expense (181)				
1993 G.O. DEBT	4,867	428	5,455	1
Total			5,455	
Unamortized premium on debt (251)				
NONE	0	0	0	2
Total			0	

CAPITAL PAID IN BY MUNICIPALITY (ACCT. 200)

Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D, sewer and privates) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.

Particulars (a)	Amount (b)	
Balance first of year	0	1
Changes during year (explain):		2
Balance end of year	0	

BONDS (ACCT. 221)

1. Report hereunder information required for each separate issue of bonds.
2. If there is more than one interest rate for an aggregate obligation issue, average the interest rates and report one rate.
3. Proceeds advanced by the municipality from sale of general obligation bonds, if repayable by utility, should be included in account 223.

Description of Issue (a)	Date of Issue (b)	Final Maturity Date (c)	Interest Rate (d)	Principal Amount End of Year (e)
-------------------------------------	----------------------------------	--	----------------------------------	---

NONE

NOTES PAYABLE & MISCELLANEOUS LONG-TERM DEBT

1. Report each class of debt included in Accounts 223, 224 and 231.
2. Proceeds of general obligation issues, if subject to repayment by the utility, should be included in Account 223.
3. If there is more than one interest rate for an aggregate obligation issue, average the interest rates and report one rate.

Account and Description of Obligation (a and b)	Date of Issue (c)	Final Maturity Date (d)	Interest Rate (e)	Principal Amount End of Year (f)	
Other Long-Term Debt (224)					
1997 PROMISSORY NOTE	03/11/1997	04/01/2003	4.50%	50,000	1
1993 G.O. DEBT	09/30/1993	04/01/2003	3.95%	1,285,000	2
Total for Account 224				<u>1,335,000</u>	

TAXES ACCRUED (ACCT. 236)

Particulars (a)	Amount (b)	
Balance first of year	0	1
Accruals:		
Charged water department expense	609	2
Charged electric department expense		3
Charged sewer department expense		4
Other (explain):		
NONE		5
Total Accruals and other credits	609	
Taxes paid during year:		
County, state and local taxes		6
Social Security taxes	485	7
PSC Remainder Assessment	124	8
Other (explain):		
NONE		9
Total payments and other debits	609	
Balance end of year	0	

INTEREST ACCRUED (ACCT. 237)

1. Report below interest accrued on each utility obligation.
2. Report Customer Deposits under Account 231.

Description of Issue (a)	Interest Accrued Balance First of Year (b)	Interest Accrued During Year (c)	Interest Paid During Year (d)	Interest Accrued Balance End of Year (e)	
Bonds (221)					
NONE	0			0	1
Subtotal	0	0	0	0	
Advances from Municipality (223)					
NONE	0			0	2
Subtotal	0	0	0	0	
Other long-Term Debt (224)					
1993 G.O. DEBT	15,886	59,158	60,620	14,424	3
Subtotal	15,886	59,158	60,620	14,424	
Notes Payable (231)					
NONE	0			0	4
Subtotal	0	0	0	0	
Total	15,886	59,158	60,620	14,424	

CONTRIBUTIONS IN AID OF CONSTRUCTION (ACCOUNT 271)

Particulars (a)	Water (b)	Electric		Sewer (e)	Gas (f)	Total (g)	
		Distribution (c)	Other (d)				
Balance First of Year	1,137,535	0	0	0	0	1,137,535	1
Add credits during year:							
For Services	1,600					1,600	2
For Mains						0	3
Other (specify):							
NONE						0	4
Deduct charges (specify):							
NONE						0	5
Balance End of Year	1,139,135	0	0	0	0	1,139,135	
Amount of federal and state grants in aid received for utility construction included in End of Year totals						0	6

BALANCE SHEET END-OF-YEAR ACCOUNT BALANCES

Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.

Particulars (a)	Balance End of Year (b)	
Investment in Municipality (123):		
NONE		1
Total (Acct. 123):	0	
Other Investments (124):		
SPECIAL ASSESSMENT RECEIVABLE	287,174	2
Total (Acct. 124):	287,174	
Special Funds (125):		
NONE		3
Total (Acct. 125):	0	
Notes Receivable (141):		
NONE		4
Total (Acct. 141):	0	
Customer Accounts Receivable (142):		
Water	21,492	5
Electric		6
Sewer (Regulated)		7
Other (specify):		
NONE		8
Total (Acct. 142):	21,492	
Other Accounts Receivable (143):		
Sewer (Non-regulated)		9
Merchandising, jobbing and contract work		10
Other (specify):		
NONE		11
Total (Acct. 143):	0	
Receivables from Municipality (145):		
RECEIVABLE FROM MUNICIPALITY	127,272	12
Total (Acct. 145):	127,272	
Prepayments (165):		
NONE		13
Total (Acct. 165):	0	
Extraordinary Property Losses (182):		
NONE		14
Total (Acct. 182):	0	
Other Deferred Debits (183):		
NONE		15
Total (Acct. 183):	0	

BALANCE SHEET END-OF-YEAR ACCOUNT BALANCES

Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.

Particulars (a)	Balance End of Year (b)
Payables to Municipality (233):	
NONE	16
Total (Acct. 233):	0
Other Deferred Credits (253):	
NONE	17
Total (Acct. 253):	0

RETURN ON RATE BASE COMPUTATION

1. The data used in calculating rate base are averages.
2. Calculate those averages by summing the first-of-year and the end-of-year figures for each account and then dividing the sum by two.
3. Note: Do not include property held for future use or construction work in progress with utility plant in service. These are not rate base components.

Average Rate Base (a)	Water (b)	Electric (c)	Sewer (d)	Gas (e)	Total (f)	
Add Average:						
Utility Plant in Service	2,095,102	0	0	0	2,095,102	1
Materials and Supplies	0	0	0	0	0	2
Other (specify):					0	3
Less Average:						
Reserve for Depreciation	89,139	0	0	0	89,139	4
Customer Advances for Construction					0	5
Contributions in Aid of Construction	1,138,335	0	0	0	1,138,335	6
Other (specify):					0	7
Average Net Rate Base	867,628	0	0	0	867,628	
Net Operating Income	69,534	0	0	0	69,534	8
Net Operating Income as a percent of						
Average Net Rate Base	8.01%	N/A	N/A	N/A	8.01%	

RETURN ON PROPRIETARY CAPITAL COMPUTATION

1. The data used in calculating proprietary capital are averages.
2. Calculate those averages by summing the first-of-year and end-of-year figures for each account and then dividing by two.

Description (a)	Amount (b)	
Average Proprietary Capital		
Capital Paid in by Municipality	0	1
Appropriated Earned Surplus	0	2
Unappropriated Earned Surplus	107,697	3
Other (Specify):		4
Total Average Proprietary Capital	107,697	
Net Income		
Net Income	36,587	5
Percent Return on Proprietary Capital	33.97%	

IMPORTANT CHANGES DURING THE YEAR

Report changes of any of the following types:

1. Acquisitions.

2. Leaseholder changes.

3. Extensions of service.

4. Estimated changes in revenues due to rate changes.

5. Obligations incurred or assumed, excluding commercial paper.

6. Formal proceedings with the Public Service Commission.

7. Any additional matters.

FINANCIAL SECTION FOOTNOTES

Identification and Ownership (Page iv)

Response received 8/11/99 from Karla Roth, CPA, VK:

Item 1: transfer will be reported in 1999 report.

Item 2: increase due to purchase and installation of new software.
ele

June 29, 1999

Ms. Amy Volkmann, Administrator
Token Creek Sanitary District
5365 Reiner Road
Madison, WI 53704-6347

1998 Analytical Review DWCCA-5915-ELE

Dear Ms. Volkmann:

The Public Service Commission (PSC) is in the process of completing an analytical review of your utility's 1998 annual report. The purposes of an analytical review are to detect possible reporting or accounting related errors and to identify significant fluctuations from established trends in reported data not sufficiently explained in the annual report. It is our hope that our review will supply information that will enable us to better provide guidance to your utility regarding proper utility accounting and the preparation of future annual reports. In order to complete this review, we request the following information:

1. During our review, we noted that dollars are reported in Account 341, Structures and Improvements, Water Utility Plant in Service Schedule, pages W-8 and W-9. We believe these dollars should more appropriately be reported in Account 340, Land and Land Rights. Please confirm that these dollars will be transferred to Account 340, or describe the plant reported in Account 341, if you believe that to be the correct account.

2. During our review, we noted that total General Operating Expenses, page W-1, decreased over 30% from 1997. Please furnish a brief explanation.

We appreciate your cooperation in providing the above information. These recommendations are intended to provide accounting assistance and should not be construed as criticisms of utility personnel. If you have any questions, please feel free to contact me at (608) 266-3768. Please respond within 30 days of this letter. If we have no questions regarding your response, you can consider the review closed.

Sincerely,

Elaine Engelke
Financial Specialist
Division of Water, Compliance, and Consumer Affairs

ELE:tlk:w:\compl\analytical review letters\june 29 1999 rev letters e 1.doc

WATER OPERATING REVENUES & EXPENSES

Particulars (a)		Amounts (b)	
Operating Revenues			
Sales of Water			
Sales of Water (460-467)		107,809	1
Total Sales of Water		107,809	
Other Operating Revenues			
Forfeited Discounts (470)		0	2
Other Water Revenues (474)		18,028	3
Amortization of Construction Grants (475)		0	4
Total Other Operating Revenues		18,028	
Total Operating Revenues		125,837	
Operation and Maintenance Expenses			
Plant Operation and Maintenance Expenses (600-660)		10,539	5
General Operating Expenses (680-690)		10,982	6
Total Operation and Maintenance Expenses		21,521	
Other Operating Expenses			
Depreciation Expense (403)		34,173	7
Amortization Expense (404)			8
Taxes (408)		609	9
Total Other Operating Expenses		34,782	
Total Operating Expenses		56,303	
NET OPERATING INCOME		69,534	

WATER OPERATING REVENUES - SALES OF WATER

1. Where customer meters record cubic feet, multiply by 7.48 to obtain number of gallons.
2. Report estimated gallons for unmetered sales.
3. Sales to multiple dwelling buildings through a single meter serving 3 or more family units should be classified commercial.
4. Bulk sales should be account 460.

Particulars (a)	Average No. Customers (b)	Thousands of Gallons of Water Sold (c)	Amounts (d)	
Operating Revenues				
Sales of Water				
Unmetered Sales to General Customers (460)				
Residential				1
Commercial				2
Industrial				3
Total Unmetered Sales to General Customers (460)	0	0	0	
Metered Sales to General Customers (461)				
Residential	2	143	1,244	4
Commercial	27	13,273	56,460	5
Industrial	3	443	1,489	6
Total Metered Sales to General Customers (461)	32	13,859	59,193	
Private Fire Protection Service (462)				7
Public Fire Protection Service (463)	21		48,616	8
Other Sales to Public Authorities (464)				9
Sales to Irrigation Customers (465)				10
Sales for Resale (466)		0	0	11
Interdepartmental Sales (467)				12
Total Sales of Water	53	13,859	107,809	

SALES FOR RESALE (ACCT. 466)

Use a separate line for each delivery point.

Customer Name (a)	Point of Delivery (b)	Thousands of Gallons Sold (c)	Revenues (d)
------------------------------------	--	--	-------------------------------

NONE

OTHER OPERATING REVENUES (WATER)

1. Report revenues relating to each account and fully describe each item using other than the account title.
2. Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D and privates) and all other lesser amounts grouped as Miscellaneous.
3. For a combined utility which also provides sewer service that is based upon water readings, report the return on net investment in meters charged to sewer department in Other Water Revenues (474).

Particulars (a)	Amount (b)	
Public Fire Protection Service (463):		
Amount billed (usually per rate schedule F-1)	48,616	1
Wholesale fire protection billed		2
Amount billed for fighting fires outside utility's service areas (usually per rate schedule F-2 or BW-1)		3
Other (specify):		
NONE		4
Total Public Fire Protection Service (463)	48,616	
Forfeited Discounts (470):		
Customer late payment charges		5
Other (specify):		
NONE		6
Total Forfeited Discounts (470)	0	
Other Water Revenues (474):		
Return on net investment in meters charged to sewer department		7
Other (specify):		
Miscellaneous	100	8
Airadigm lease	8,211	9
Cellular One lease	9,717	10
Total Other Water Revenues (474)	18,028	
Amortization of Construction Grants (475):		
NONE		11
Total Amortization of Construction Grants (475)	0	

WATER OPERATION & MAINTENANCE EXPENSES

Each expense account that has an increase or a decrease when compared to the previous year of greater than 30 percent, but not less than \$2,000, shall be fully explained in the schedule footnotes.

Particulars (a)	Amount (b)	
PLANT OPERATION AND MAINTENANCE EXPENSES		
Salaries and Wages (600)	6,428	1
Purchased Water (610)		2
Fuel or Power Purchased for Pumping (620)	890	3
Chemicals (630)	191	4
Supplies and Expenses (640)	3,030	5
Repairs of Water Plant (650)		6
Transportation Expenses (660)		7
Total Plant Operation and Maintenance Expenses	10,539	
GENERAL OPERATING EXPENSES		
Administrative and General Salaries (680)	3,091	8
Office Supplies and Expenses (681)	842	9
Outside Services Employed (682)	4,910	10
Insurance Expense (684)	1,956	11
Employees Pensions and Benefits (686)		12
Regulatory Commission Expenses (688)		13
Miscellaneous General Expenses (689)	183	14
Uncollectible Accounts (690)		15
Total General Operating Expenses	10,982	
Total Operation and Maintenance Expenses	21,521	

TAXES (ACCT. 408 - WATER)

When allocation of taxes is made between departments, explain method used.
--

Description of Tax (a)	Method Used to Allocate Between Departments (b)	Amount (c)	
Property Tax Equivalent			1
Less: Local and School Tax Equivalent on Meters Charged to Sewer Department			2
Net property tax equivalent		0	
Social Security		485	3
PSC Remainder Assessment		124	4
Other (specify): NONE			5
Total tax expense		609	

WATER UTILITY PLANT IN SERVICE

1. All adjustments, corrections and reclassifications should be reported in Column (f), Adjustments.
2. Explain fully as a schedule footnote the nature of all entries reported in Column (f), Adjustments.
3. Explain as a schedule footnote the dollar additions and retirements reported in Columns (c) and (e) for each account over \$10,000 not supported by statistical schedules.
4. Use only the account titles listed. If the utility has subaccounts other than account 372.1, combine them into one total and detail by subaccount as a schedule footnote.

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	
INTANGIBLE PLANT			
Organization (301)	0		1
Franchises and Consents (302)	0		2
Miscellaneous Intangible Plant (303)	0		3
Total Intangible Plant	0	0	
SOURCE OF SUPPLY PLANT			
Land and Land Rights (310)	0		4
Structures and Improvements (311)	236,288		5
Collecting and Impounding Reservoirs (312)	0		6
Lake, River and Other Intakes (313)	0		7
Wells and Springs (314)	106,671		8
Infiltration Galleries and Tunnels (315)	0		9
Supply Mains (316)	0		10
Other Water Source Plant (317)	0		11
Total Source of Supply Plant	342,959	0	
PUMPING PLANT			
Land and Land Rights (320)	0		12
Structures and Improvements (321)	0		13
Boiler Plant Equipment (322)	0		14
Other Power Production Equipment (323)	0		15
Steam Pumping Equipment (324)	0		16
Electric Pumping Equipment (325)	44,570		17
Diesel Pumping Equipment (326)	0		18
Hydraulic Pumping Equipment (327)	0		19
Other Pumping Equipment (328)	0		20
Total Pumping Plant	44,570	0	
WATER TREATMENT PLANT			
Land and Land Rights (330)	0		21
Structures and Improvements (331)	0		22
Water Treatment Equipment (332)	0		23
Total Water Treatment Plant	0	0	
TRANSMISSION AND DISTRIBUTION PLANT			
Land and Land Rights (340)	0		24
Structures and Improvements (341)	12,302		25

WATER UTILITY PLANT IN SERVICE (cont.)

Accounts (d)	Retirements During Year (e)	Adjustments Increase or (Decrease) (f)	Balance End of Year (g)	
INTANGIBLE PLANT				
Organization (301)			0	1
Franchises and Consents (302)			0	2
Miscellaneous Intangible Plant (303)			0	3
Total Intangible Plant	0	0	0	
SOURCE OF SUPPLY PLANT				
Land and Land Rights (310)			0	4
Structures and Improvements (311)			236,288	5
Collecting and Impounding Reservoirs (312)			0	6
Lake, River and Other Intakes (313)			0	7
Wells and Springs (314)			106,671	8
Infiltration Galleries and Tunnels (315)			0	9
Supply Mains (316)			0	10
Other Water Source Plant (317)			0	11
Total Source of Supply Plant	0	0	342,959	
PUMPING PLANT				
Land and Land Rights (320)			0	12
Structures and Improvements (321)			0	13
Boiler Plant Equipment (322)			0	14
Other Power Production Equipment (323)			0	15
Steam Pumping Equipment (324)			0	16
Electric Pumping Equipment (325)			44,570	17
Diesel Pumping Equipment (326)			0	18
Hydraulic Pumping Equipment (327)			0	19
Other Pumping Equipment (328)			0	20
Total Pumping Plant	0	0	44,570	
WATER TREATMENT PLANT				
Land and Land Rights (330)			0	21
Structures and Improvements (331)			0	22
Water Treatment Equipment (332)			0	23
Total Water Treatment Plant	0	0	0	
TRANSMISSION AND DISTRIBUTION PLANT				
Land and Land Rights (340)			0	24
Structures and Improvements (341)			12,302	25

WATER UTILITY PLANT IN SERVICE

1. All adjustments, corrections and reclassifications should be reported in Column (f), Adjustments.
2. Explain fully as a schedule footnote the nature of all entries reported in Column (f), Adjustments.
3. Explain as a schedule footnote the dollar additions and retirements reported in Columns (c) and (e) for each account over \$10,000 not supported by statistical schedules.
4. Use only the account titles listed. If the utility has subaccounts other than account 372.1, combine them into one total and detail by subaccount as a schedule footnote.

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	
TRANSMISSION AND DISTRIBUTION PLANT			
Distribution Reservoirs and Standpipes (342)	363,952		26
Transmission and Distribution Mains (343)	1,233,450		27
Fire Mains (344)	0		28
Services (345)	29,608	1,600	29
Meters (346)	5,252	450	30
Hydrants (348)	61,610		31
Other Transmission and Distribution Plant (349)	0		32
Total Transmission and Distribution Plant	1,706,174	2,050	
GENERAL PLANT			
Land and Land Rights (370)	0		33
Structures and Improvements (371)	0		34
Office Furniture and Equipment (372)	0		35
Computer Equipment (372.1)	0		36
Transportation Equipment (373)	0		37
Other General Equipment (379)	374		38
Other Tangible Property (390)	0		39
Total General Plant	374	0	
Total utility plant in service directly assignable	2,094,077	2,050	
Common Utility Plant Allocated to Water Department	0		40
Total utility plant in service	2,094,077	2,050	

WATER UTILITY PLANT IN SERVICE (cont.)

Accounts (d)	Retirements During Year (e)	Adjustments Increase or (Decrease) (f)	Balance End of Year (g)	
TRANSMISSION AND DISTRIBUTION PLANT				
Distribution Reservoirs and Standpipes (342)			363,952	26
Transmission and Distribution Mains (343)			1,233,450	27
Fire Mains (344)			0	28
Services (345)			31,208	29
Meters (346)			5,702	30
Hydrants (348)			61,610	31
Other Transmission and Distribution Plant (349)			0	32
Total Transmission and Distribution Plant	0	0	1,708,224	
GENERAL PLANT				
Land and Land Rights (370)			0	33
Structures and Improvements (371)			0	34
Office Furniture and Equipment (372)			0	35
Computer Equipment (372.1)			0	36
Transportation Equipment (373)			0	37
Other General Equipment (379)			374	38
Other Tangible Property (390)			0	39
Total General Plant	0	0	374	
Total utility plant in service directly assignable	0	0	2,096,127	
Common Utility Plant Allocated to Water Department			0	40
Total utility plant in service	0	0	2,096,127	

SOURCE OF SUPPLY, PUMPING AND PURCHASED WATER STATISTICS

Month (a)	Sources of Water Supply			Total Gallons All Methods (000's) (e)	
	Purchased Water Gallons (000's) (b)	Surface Water Gallons (000's) (c)	Ground Water Gallons (000's) (d)		
January			993	993	1
February			992	992	2
March			1,104	1,104	3
April			1,049	1,049	4
May			1,136	1,136	5
June			1,308	1,308	6
July			1,524	1,524	7
August			1,421	1,421	8
September			1,246	1,246	9
October			1,879	1,879	10
November			1,128	1,128	11
December			1,089	1,089	12
Total for year	0	0	14,869	14,869	
Less: Measured or estimated water used in main flushing and water treatment during year				300	13
Less: Other utility use					14
Other utility use explanation:					15
Water pumped into distribution system				14,569	16
Less: Water sold				13,859	17
Losses and unaccounted for				710	18
Percent unaccounted for to the nearest whole percent (%)				5%	19
If more than 25%, indicate causes and state what action has been taken to reduce water loss:					20
Maximum gallons pumped by all methods in any one day during reporting year				180	21
Date of maximum: 8/15/1998					22
Cause of maximum:					23
Bulk water being used					
Minimum gallons pumped by all methods in any one day during reporting year				40	24
Date of minimum: 7/16/1998					25
Total KWH used for pumping for the year				19,400	26
If water is purchased:Vendor Name:					27
Point of Delivery:					28

SOURCES OF WATER SUPPLY - GROUND WATERS

Location (a)	Identification Number (b)	Depth in feet (c)	Well Diameter in inches (d)	Yield Per Day in gallons (e)	Currently In Service? (f)	
6215 HERSH RD	#1	550	15	1,080,000	Yes	1

SOURCES OF WATER SUPPLY - SURFACE WATERS

Location (a)	Intakes			
	Identification Number (b)	Distance From Shore in feet (c)	Depth Below Surface in feet (d)	Diameter in inches (e)
NONE				

1

PUMPING & POWER EQUIPMENT

1. Use a separate column for each pump.
2. Indicate purpose of pump by: P for primary (from source to reservoir, treatment or distribution system), B for booster (from reservoir or treatment to distribution system, or within distribution system), or S for standby pumping equipment.
3. Indicate destination (of water pumped) by: R for reservoir, T for treatment or D for distribution system.

Particulars (a)	Unit A (b)	Unit B (c)	Unit C (d)	
Identification	#1			1
Location	6215 HERSH RD			2
Purpose	P			3
Destination	D			4
Pump Manufacturer	AMER. TURBINE			5
Year Installed	1994			6
Type	VERTICAL TURBINE			7
Actual Capacity (gpm)	810			8
Pump Motor or Standby Engine Mfr	U.S. ELECTRIC MOTOR			10
Year Installed	1994			11
Type	ELECTRIC			12
Horsepower	75			13

Particulars (a)	Unit D (b)	Unit E (c)	Unit F (d)	
Identification				14
Location				15
Purpose				16
Destination				17
Pump Manufacturer				18
Year Installed				19
Type				20
Actual Capacity (gpm)				21
Pump Motor or Standby Engine Mfr				22
Year Installed				23
Type				24
Horsepower				25
				26

RESERVOIRS, STANDPIPES & WATER TREATMENT

1. Identify as R (reservoir), S (standpipe) & ET (elevated tank).
2. Use a separate column for each using additional copies if necessary.
3. Enter elevation difference between highest water level in S or ET, (or R only on an elevated site) and the water main where the connection to the storage begins branching into the distribution system.

Particulars (a)	Unit A (b)	Unit B (c)	Unit C (d)
Identification number or name	#1		1
RESERVOIRS, STANDPIPES			2
OR ELEVATED TANKS			3
Type: R (reservoir), S (standpipe)			4
or ET (elevated tank)	ET		5
Year constructed	1994		6
Primary material (earthen, steel,			7
concrete, other)	STEEL		8
Elevation difference in feet			9
(See Headnote 3.)	170		10
Total capacity in gallons	200,000		11
WATER TREATMENT PLANT			12
Disinfection, type of equipment			13
(gas, liquid, powder, other)			14
Points of application			15
(wellhouse, central facilities,			16
booster station, other)			17
Filters, type (gravity, pressure,			18
other, none)			19
Rated capacity of filter plant			20
(m.g.d.) (note: 1,200,000 gal/day			21
= 1.2 m.g.d.)			22
Is a corrosion control chemical			23
used (yes, no)?			24
Is water fluoridated (yes, no)?			25

WATER MAINS

1. Report mains separately by pipe material, function, diameter and either within or outside the municipal boundaries.
2. Identify pipe material as: L (Lead), M (Metal for all other metal excluding lead), A (Asbestos-cement), or P (Plastic for plastic and all other non-metal excluding asbestos-cement).
3. Identify function as: T (Transmission), D (Distribution) or S (Supply).
4. Explain all reported adjustments as a schedule footnote.
5. For main additions reported in column (e), as a schedule footnote:
 - a. Explain how the additions were financed.
 - b. If assessed against property owners, explain the basis of the assessments.
 - c. If the assessments are deferred, explain.

Number of Feet							
Pipe Material (a)	Main Function (b)	Diameter in Inches (c)	First of Year (d)	Added During Year (e)	Retired During Year (f)	Adjustments Increase or (Decrease) (g)	End of Year (h)
M	D	6.000	2,123	0	0	0	2,123
M	D	8.000	3,581	0	0	0	3,581
M	D	10.000	4,876	0	0	0	4,876
M	D	12.000	9,263	0	0	0	9,263
Total Within Municipality			19,843	0	0	0	19,843
Total Utility			19,843	0	0	0	19,843

1
2
3
4

WATER SERVICES

1. Explain all reported adjustments as a schedule footnote.
2. Report in column (h) the number of utility-owned services included in columns (c) through (g) which are temporarily shut off at the curb box or otherwise not in use at end of year.
3. For services added during the year in column (d), as a schedule footnote:
 - a. Explain how the additions were financed.
 - b. If assessed against property owners, explain the basis of the assessments.
 - c. If installed by a property owner or developer, explain the basis of recording the cost of the additions, the total amount and the number of services recorded under this method.
 - d. If any were financed by application of Cz-1, provide the total amount recorded and the number of services recorded under this method.
4. Report services separately by pipe material and diameter.
5. Identify pipe material as: L (Lead), M (Metal for all other metal excluding lead), A (Asbestos-cement) or P (Plastic for plastic and all other non-metal excluding asbestos-cement).

Pipe Material (a)	Diameter in Inches (b)	First of Year (c)	Added During Year (d)	Removed or Permanently Disconnected During Year (e)	Adjustments Increase or (Decrease) (f)	End of Year (g)	Utility Owned Services Not In Use at End of Year (h)	
M	1.000	3	1	0	0	4		1
M	1.500	1	0	0	0	1		2
M	2.000	16	1	0	0	17		3
M	4.000	15	0	0	0	15		4
Total Utility		35	2	0	0	37	0	

METERS

1. Include in Columns (b), (c), (d), (e) and (f) meters in stock as well as those in service.
2. Report in Column (c) all meters purchased during the year and in Column (d) all meters junked, sold or otherwise permanently retired during the year.
3. Use Column (e) to show correction to previously reported meter count because of inventory or property record corrections.
4. Totals by size in Column (f) should equal same size totals in Column (o).

Number of Utility-Owned Meters

Size of Meter (a)	First of Year (b)	Added During Year (c)	Retired During Year (d)	Adjustments Increase or (Decrease) (e)	End of Year (f)	Tested During Year (g)	
0.750	13	0	0	0	13	0	1
1.000	14	1	0	0	15	0	2
1.500	8	0	0	0	8	2	3
2.000	2	1	0	0	3	2	4
Total:	37	2	0	0	39	4	

Classification of All Meters at End of Year by Customers

Size of Meter (h)	Residential (i)	Commercial (j)	Industrial (k)	Public Authority (l)	Wholesale, Inter-Department or Utility Use (m)	In Stock and Deduct Meters (n)	Total (o)	
0.750	2	8	1	0	0	2	13	1
1.000	0	14	0	0	0	1	15	2
1.500	0	5	1	0	0	2	8	3
2.000	0	3	0	0	0	0	3	4
Total:	2	30	2	0	0	5	39	

HYDRANTS AND DISTRIBUTION SYSTEM VALVES

1. Distinguish between fire and flushing hydrants by lead size.
 - a. Fire hydrants normally have a lead size of 6 inches or greater.
 - b. Record as a flushing hydrant where the lead size is less than 6 inches or if pressure is inadequate to provide fire flow.
2. Explain all reported adjustments in the schedule footnotes.
3. Report fire hydrants as within or outside the municipal boundaries.

Hydrant Type (a)	Number In Service First of Year (b)	Added During Year (c)	Removed During Year (d)	Adjustments Increase or (Decrease) (e)	Number In Service End of Year (f)	
Fire Hydrants						
Outside of Municipality	0				0	1
Within Municipality	43				43	2
Total Fire Hydrants	43	0	0	0	43	
Flushing Hydrants						
	0				0	3
Total Flushing Hydrants	0	0	0	0	0	

Wis. Admin. Code § 185.87 requires that a schedule shall be adopted and followed for operating each system valve and hydrant at least once each two years. Report the number operated during the year

Number of hydrants operated during year:	43
Number of distribution system valves end of year:	41
Number of distribution valves operated during year:	41

WATER OPERATING SECTION FOOTNOTES

Water Operation & Maintenance Expenses (Page W-05)

Outside services increased due to purchase and installation of new software.
8/11/99 ele

Water Services (Page W-16)

The new services were financed by developers.
